2: Murphy G-4 (no date) 1953 AF15 East China AF15

ancestral graves at will. During the first months after November 1843, many of the Chinese owners refused to vacate houses and land already leased to foreigners and had to be paid a fee or were forcibly ejected. The numerous disputes over the property rights of foreigners resulted in the Land Regulations of 1845 negotiated between Balfour and the taotai which, *inter alia*, forbade Chinese residence within the Settlement and made foreigners responsible for its upkeep and policing from their own funds. These were raised by a committee of foreign merchants, appointed by the British consul, which assessed each foreign landrenter and controlled community expenditures.

An American Settlement in Honkew, never defined or legally established, amalgamated with the International Settlement in 1863. The French merchants, however, proceeded independently and negotiated with the taotai their own set of Land Regulations, issued in 1849, for an area set apart for French leasing immediately south of the International Settlement, between the Yang Ching Pang and the city wall. This Settlement, and its later extension, inaccurately titled the French "Concession," remained under separate French administration until the rendition of all foreign rights.[10]

While the position of the foreigners at Shanghai fell far short of actual sovereignty, it was a long step from their confined position at Canton. Travel into the surrounding country was permitted on condition that the travelers return to Shanghai the same day, and there was no requirement for the foreigners to leave at the end of the trading season as formerly at Canton. Most important, however, was the escape from the Canton Cohong. Foreign traders were now free to deal with any Chinese merchant they wished, and could employ their own Chinese agents for buying and selling in the hinterland, a significant advantage which the foreign firms soon put to use. Business could be conducted without the semi-official supervision of the Cohong and its function as the watchful eye of Peking in all dealings with the foreigners.

This monopoly, so useful both economically and diplomatically, died hard. In Canton, the Cohong continued in effect in disguised form by the simple device of preventing the appearance of other Chinese firms in the market. All trading with the hinterland was managed through the Cohong firms as before, and foreigners could